GOVERNMENT OF INDIA
COMMUNICATIONS AND INFORMATION TECHNOLOGY
LOK SABHA

UNSTARRED QUESTION NO:2254
ANSWERED ON:03.12.2007
AUCTION OF SPECTRUM
Aaron Rashid Shri J.M.;Mishra Dr. Rajesh Kumar

Will the Minister of COMMUNICATIONS AND INFORMATION TECHNOLOGY be pleased to state:

(a) whether the Department of Telecommunications (DoT) has written to Prime Minister on the issue of auction of spectrum;

(b) if so, the details in this regard;

(c) whether some foreign firms including Rookie Telecom and S. Tel have offered voluntarily to pay Rs. 6,000 crores to DoT for allocation of spectrum;

(d) if so, the details in this regard; and

(e) the reasons that Government do not want to auction spectrum to telecom operators?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMUNICATIONS AND INFORMATION TECHNOLOGY (DR. SHAKEEL AHMAD)

(a) & (b) Communications have been sent to Prime Minister on issues related to licencing and allocation of spectrum aspects which includes, among others, licensing procedures, enhancement of subscribers linked spectrum allocation criteria, spectrum charges, use of dual technology by telecom service providers etc.

(c) & (d) M/s. S. Tel Ltd. in their letter have stated among others, that "S. Tel is of the view that the policy that was evolved when the industry was at its infancy, will not serve the public purpose now, when the industry is among the most advanced. Consistent with its knowledge and understanding of the business of telecom and the high value of spectrum, S. Tel comes forward voluntarily to pay additional revenue share to the extent of Rs. 6000 crores to the DOT, over and above the spectrum charges revenue share payable as per the existing policy, over a period of 10 years from the date of the spectrum allotment. This will bring into effect a prioritization model, which will fully subserve the larger public interest."

(e) Taking into account the TRAI recommendations, the Government has decided not to auction the spectrum of 2G services at present and to grant new Unified Access Services (UAS) Licences as per the existing guidelines.